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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
WASHINGTON 25, D. C.

SHIPPING AND STORAGE BRANCH MEMORANDUM NUMBER 36.3

Commodity Referrals for Sale

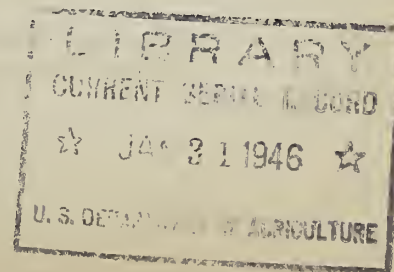
I General

- A. This procedure provides the method to be followed in referring commodity lots for sale to commercial channels; such as, (1) excess (FMA-owned) commodities including good or odd-lots, (2) aged, (3) out-of-condition lots, (4) out-of-position lots, or (5) doubtful condition lots. Note: The provisions of this memorandum do not apply to those commodities to be sold by the Shipping and Storage Branch in accordance with Shipping and Storage Branch Memorandum No. 36.4.
- B. The Inspection and Maintenance Division has responsibility for making referrals for sale of those commodity lots described above for the Shipping and Storage Branch, and shall likewise be responsible for following up with the Commodity Branches to make sure that sales action is taken promptly after referrals by this Branch.
- C. It is the policy of the Shipping and Storage Branch to dispose of the commodity lots described in paragraph A as quickly as possible when it has been determined that such lots cannot be used on program, and thus, reduce the cost of servicing and storing the commodities.

II Sources of Information on Commodities to be Referred for Sale

- A. Whenever the Shipping and Storage Field Offices or any Division of the Branch in Washington has any reason to believe that a certain commodity lot should be referred for sale through commercial channels, recommendation will be made to the Inspection and Maintenance Division by memoranda. All information regarding the commodity lot will be included in the recommendation and two copies of the inspection report or grading certificate, if any, will be attached.
- B. Wherever information is contained in the Out-of-Condition and/or Odd-Lot Reports, Forms SS-7 (formerly PMA-56), or in the monthly Commodity Maintenance Reports from Shipping and Storage Field Offices concerning commodity lots which possibly should be sold, the Inspection and Maintenance Division will develop additional information on the commodity lot(s) for disposition purposes.

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- C. When questionable commodity lots are brought to the attention of the Inspection and Maintenance Division by telephone, telegraphic, or correspondence reports direct from warehouses and other sources inside or outside the government, the Inspection and Maintenance Division will secure sufficient information to determine, insofar as possible, what disposition is to be made of the commodity lot(s).
- D. The Inspection and Maintenance Division will secure additional information on questionable lots when needed by (1) securing inspection report or grading certificates, (2) contacting Inspection and Maintenance Sections, Shipping and Storage Field Offices or (3) by direct communication with Commodity Branches and other sources inside or outside the government in a position to furnish information on the commodity lots.

III Commodity Referrals for Sale

- A. The Inspection and Maintenance Division, after determining from the above sources that a commodity lot should be sold through commercial channels will prepare Referral for Sale, Form SS-37, for each commodity lot. This Division will also notify by teletype the respective Shipping and Storage Field Office of those commodity lots being referred for sale. Upon receipt of such notification, the Shipping and Storage Field Office will confirm by teletype to the Inspection and Maintenance Division that the lots have been frozen for sale. The lots shall remain frozen until the abstracts of sale are received or advice from the Inspection and Maintenance Division that the referral for sale has been canceled.

- B. Preparation of Referral for Sale, Form SS-37

Form SS-37, will be made up in an original and seven copies. Complete information for commodity lot identification will be included in the appropriate spaces on the form. In case a recent inspection of the commodity has been made, the inspection report or grading certificate will be attached to the original copy of Form SS-37. Any pertinent information on the commodity lot which has not otherwise been included on the form will be described under "Remarks".

The original copy will be signed by the Chief, Inspection and Maintenance Division or his designees with indelible pencil and the carbon signature will be accepted on the remaining copies of the form.

- C. Use and Distribution of Copies, Form SS-37

The original and two copies will be sent to the appropriate Commodity Branch charged with responsibility for making the sale.

One copy will be sent to the Inventory Accounting Division, S & S Branch for earmarking the commodity lot in the inventory records.

One copy will be sent to the appropriate Storage Section, Shipping and Storage Field Office for earmarking the commodity lot in the operating inventory records.

One copy will be sent to the Claims Division for their information and use in the adjudication of any possible claim.

One copy will be sent to the Storage Division for screening to determine, if necessary, whether the commodity lot is stored in an adequate storage facility and for necessary adjustment in the overall availability records.

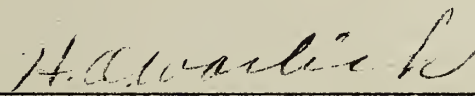
One copy will be retained in a current file of "Referrals for Sale" in the Inspection and Maintenance Division for following up with the Commodity Branches to make sure sales action is taken promptly. This copy will be removed from the current file when sales abstracts are received indicating that the commodity lot has been sold.

IV Reports on Commodities Referred for Sale

- A. The Inspection and Maintenance Division will prepare whatever periodic or special reports may be required by the Director, Shipping and Storage Branch on the commodities that have been referred for sale.

V Effective Date of Instruction

- A. This instruction becomes effective on January 28, 1946, and supersedes any previous instructions to the extent which they may be inconsistent with the provisions contained herein.



H.O. Warlick, Colonel, G.S.C.
Director, Shipping and Storage Branch

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